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We have considered your application for exemption from Federal income taxation under the provisions of section 501(a) and as an organization described in section 501(c)(3) of the Internal Revenue Code.

Your organization provides for the maintenance, preservation, administration, and management of a condominium in return for an assessment paid by the owner of the condominium. This is not a charitable activity under the operational tests of section 501(c)(3).

Accordingly, it is held that you are not exempt from Federal income tax under section 501(c)(3) of the Code.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative

remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service." In that event we will notify the appropriated State officials, as required by section 6104(c) of the Code, that based on the information we have available we are unable to recognize you as an organization described in Code section 501(c)(3).

Publication 892 accompanies this letter and describes your appeal rights fully, should you decide to appeal this determination. If we do not hear from you within thirty days this will become our final determination in the matter.

You are required to file Federal income tax returns on Form 1120 (or other appropriate form) within two and one-half months following the end of your annual accounting period. Please mail a copy of this return to this office.

Sincerely yours,

District Director